

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U210W) for Authorization to increase its Revenues for Water Service by \$4,134,600 or 2.55% in the year 2011, by \$33,105,800 or 19.68% in the year 2012, by \$9,897,200 or 4.92% in the year 2013, and by \$10,874,600 or 5.16% in the year 2014.	Application 10-07-007 (Filed July 1, 2010)
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**DECISION AWARDING INTERVENOR COMPENSATION TO THE UTILITY
REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO
DECISION 12-06-016**

Claimant: The Utility Reform Network (TURN)	For contribution to Decision (D.) 12-06-016
Claimed (\$): \$285,846.98	Awarded (\$): \$285,271.43 (~0.2% reduction)
Assigned Commissioner: Florio	Assigned ALJ: ALJ Rochester

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	The Final Decision adopts a revenue requirement for all of the service areas of California American Water Company ("Cal-Am") for this general rate case cycle. The Decision adopts a partial settlement between Cal-Am, DRA and TURN and renders a decision on several litigated issues including tax accounting, balancing accounts, and expense treatment for the company's business transformation project. Additional issues, including rate design and the treatment of Cal-Am's Water Revenue Adjustment Mechanism accounts were deferred into a second phase of this docket and the hours for work on those issues are not included in this compensation request.
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PROPOSED DECISION**B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:**

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	August 26, 2010	Correct.
2. Other Specified Date for NOI:	N/A	Correct.
3. Date NOI Filed:	September 27, 2010	Correct.
4. Was the NOI timely filed?		Yes. Because the 30th day fell on a Saturday, TURN's filing on the following Monday is allowed. See CPUC Rules of Practice and Procedure, Rule §1.15.
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.09-09-013	Correct.
6. Date of ALJ ruling:	January 7, 2010	Correct.
7. Based on another CPUC determination (specify):		
8. Has the Claimant demonstrated customer or customer-related status?		Yes.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	P.10-08-016	Correct.
10. Date of ALJ ruling:	November 22, 2010	Correct.
11. Based on another CPUC determination (specify):		
12. Has the Claimant demonstrated significant financial hardship?		Yes.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-06-016	Correct.
14. Date of Issuance of Final Order or Decision:	June 14, 2012	Correct.
15. File date of compensation request:	August 13, 2012	Correct.
16. Was the request for compensation timely?		Yes. Although TURN resubmitted an amended claim on August 14, 2012, the Commission will use the original filing date for the purpose of

PROPOSED DECISION

	determining the timeliness of the compensation request. TURN filed the original request 60 days after issuance of the final decision. The compensation request is, therefore, timely. <i>See</i> § 1804(c).
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C. Additional Comments on Part I:

#	Intervenor's Comment	CPUC Discussion
5.9	The Commission has yet to issue any ruling on the Notice of Intent filed by TURN in this proceeding. Rather than re-state the basis for TURN's eligibility, we rely on the showing made in the still-pending NOI.	The Commission issued a ruling on February 21, 2013 which found that TURN made the requisite showing of financial hardship in this proceeding.

PART II: SUBSTANTIAL CONTRIBUTION**A. Intervenor's claimed contribution to the final decision (*see* § 1802(i), § 1803(a) and D.98-04-059).**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>This was the first state-wide general rate case for California American Water (Cal-Am). This request for compensation covers the issues resolved in Phase 1 of the docket in D.12-06-016. TURN submitted testimony from two witnesses addressing a wide variety of those issues resolved in Phase 1. In addition, TURN worked with the other active parties in the docket to achieve a settlement of the majority of issues in this Phase of the docket, although parties litigated a few remaining issues.</p> <p>TURN, DRA, and Cal-Am submitted a joint settlement that describes, at a high level, the parties' pre-settlement positions and the agreed-upon outcome for the issues covered by the settlement. The</p>	<p>Final Decision at p. 21, Conclusions of Law 2-5; Ordering Paragraph 2.</p> <p>Direct Testimony of Ralph C. Smith on behalf of The Utility Reform Network, 2/4/11, TURN Exhibit 001 ("Smith Direct")</p> <p>Direct Testimony of Donna Ramas on behalf on The Utility Reform Network, 2/4/11, TURN Exhibit 002 ("Ramas Direct")</p> <p>Supplemental Testimony of Ralph C. Smith on behalf of The Utility Reform Network, 4/4/11, TURN Exhibit 004 ("Smith Supplemental")</p> <p>Joint Motion for the Adoption of Partial Settlement Agreement between DRA, TURN, and Cal-Am on Revenue</p>	Agreed.

<p>Commission should find that the resulting settlement reflects TURN's substantial contribution on each of the TURN-disputed issues covered by the settlement, as listed below. As is often the case for a GRC settlement, due to the number and range of disputed issues the settlement does not address each and every issue or proposal put forth by TURN or other parties in any level of detail. In some instances the settled outcome may represent a combination or blending of issues to create a mutually acceptable agreement.</p> <p>D.12-06-016 approves the settlement, in part, and declares that the settlement is "reasonable in light of the whole record, consistent with the law and in the public interest." The Final Decision does not approve the entire settlement, but all of TURN's issues discussed below remain in the approved settlement and were not rejected or deferred to Phase 2.</p>	<p>Requirement Issues in the General Rate Case, filed July 28, 2011, Exhibit A. ("Settlement Agreement")</p>	
<p><i>Overall Outcome:</i></p> <p>In its Application, Cal-Am requested an increase in its revenue requirement of over \$58 million to be recovered between 2011 and 2014. In its proposal, this included a 19% increase in revenue requirement for 2012 alone.</p> <p>The Final Decision calculates the authorized revenue requirement for 2012 for each of the Cal-Am districts. In each of those districts the Final Decision adopts a smaller increase in the authorized revenue requirement than Cal-Am requested in its Application. In some districts such as Larkfield, San Diego and Ventura the difference is quite significant with the company recovering increases that were between 7 and 10% less than requested.</p>	<p>Final Decision at p. 2; Cal-Am Application page 2-3.</p>	<p>Agreed.</p>
<p><i>1.Settlement- Incentive Comp (General Office)</i></p> <p>TURN recommended removing 100% of</p>	<p>Smith Direct pages 54-71; Settlement Agreement Section 6.1, page 63.</p>	<p>Agreed. <i>See Settlement</i></p>

<p>the incentive compensation expense for the 2012 test year and 2013 escalation year. This adjustment would have resulted in an overall reduction in the 2012 expenses of more than \$985,000 and over a \$1million in 2013. Cal-Am requested authorization to recover 100% of its incentive compensation program expense as part of the annual cost of service.</p> <p>TURN argued that the incentive compensation program allowed employees to earn salary above the 50th percentile of the market. TURN also argued that the program often paid employees even if the agreed upon targets were not met and that the bonuses were tied to performance of the parent company and increases in shareholder value and not necessarily to cost savings to ratepayers.</p> <p>The parties settled, agreeing that customers will pay approximately 50% of the incentive compensation expenses as of the time that Cal-Am submitted its application and that such a reduction would apply to both the General Office expenses and at the service company level. The settlement reduced Cal-Am's requested incentive compensation expenses by \$632,000 for 2012, with related reductions in 2013.</p>		<p>Agreement Section 6.1, page 64.</p>
<p><i>2. Settlement – Affiliate Management Fee (General Office)</i></p> <p>In testimony, TURN recommended that Cal-Am be required to use a “lag” adjustment to working capital for the payment of management fees to Cal-Am's corporate affiliates. TURN argued that the requirement to account for a prepayment of these fees increases rate base by creating an unreasonable working cash requirement. Instead, the Company should use a similar lag time as the payroll lag of 12 days currently used by the Company.</p> <p>TURN estimated that the reduction in the</p>	<p>Smith Direct at p. 45-47; Settlement Agreement Section 8.9, page 103</p>	<p>Agreed.</p>

<p>Working Cash requirement as a result of assuming a 12 day payment lag, as opposed to an 11 day prepayment requested by the Company, would be approximately \$795,000 in 2012 and \$823,000 in 2013.</p> <p>The parties settled this issue by agreeing to delete any lead or lag adjustment for cash payments to the Company's affiliates including the parent, American Water Service company. While the specific impact of this agreement was not calculated in the settlement, the agreement uses the approximate mid-point between the parties' positions.</p>		
<p><i>3. Settlement- Labor Escalation</i></p> <p>In testimony, TURN recommended a reduction of the labor escalation factor proposed by Cal-Am for the 2011 interim test year from 3.5% to 2.8%, except for union employees in the Sacramento and Ventura districts. Those union contracts have specific labor rates that will continue to be effective through 2011. TURN noted that the state of the economy would not support a higher escalation rate and, more directly, Cal-Am's human resources department currently uses the 2.8% escalation rate to calculate salary increases for non-union employees in 2011. TURN noted that the adjusted interim year labor costs are escalated in deriving the test year and escalation year labor costs, therefore the use of a higher factor in 2011 increases the future labor cost estimates. By reducing the interim year rate to 2.8%, TURN estimated that the impact on the net payroll expense is a reduction of over \$160,000 for all districts in 2012 and 2013.</p> <p>Parties settled this issue by agreeing to a 2.80% labor escalation for all districts but Ventura and Sacramento union employees and agreeing to use the most recent labor inflation factors as published by DRA in its ECOS Memorandum.</p>	<p>Ramas Direct at p. 7-9. Settlement Agreement Section 5.2, page 50.</p>	<p>Agreed.</p>

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<p><i>4. Settlement- Customer Growth Factor</i></p> <p>TURN disputed Cal-Am's use of a uniform 0.23% customer growth factor for all districts without regard to actual growth rates in each individual district. Cal-Am applied the increase to many expenses on top of the standard, accepted DRA escalation factors. This customer growth rate flows through numerous forecasted expenses in each district and therefore even a small change in this factor could have a large impact on the overall expenses for the Company.</p> <p>TURN disagreed with the methodology used to calculate the growth factor as incorporating "one-time" events and abnormalities that would inflate the calculation of a proper average growth rate. But further, TURN objected to the use of a customer growth factor to increase expenses even in those districts where, for other purposes, Cal-Am forecasted zero customer growth. If those districts where Cal-Am forecasted zero growth were removed from the calculation, even keeping all other elements the same, the growth factor reduces from 0.24% to 0.07%.</p> <p>TURN recommended that in those districts where the Company forecasted growth, the Company should use a 0.07% escalation rate and in those districts where there is no growth, then no escalation factor should be applied. TURN estimated that this change would result in over \$300,000 reduction in non-labor expenses for 2012 and 2013.</p> <p>The parties settled and agreed to apply the 0.07% factor in place of the 0.23% factor in those districts with forecasted growth and a 0% escalation factor for those districts with no growth.</p>	<p>Ramas Direct at p. 15-17; Settlement Agreement Section 5.13, page 62.</p>	<p>Agreed.</p>
<p><i>5. Settlement- Uncollectible Expense</i></p> <p>In testimony, TURN analyzed Cal-Am's</p>	<p>Ramas Direct page 19-20. Settlement Agreement Section 4.34, page 47.</p>	<p>Agreed.</p>

<p>calculations for its uncollectible expense request. Cal Am requested a rate of 0.6567%. TURN and DRA both opposed Cal-Am's requested rate as too high, exceeding anything close to the rate experienced by Cal-Am in 2009 or over the historic average rate. TURN supported DRA's requested rate of 0.4758%, but provided additional information and analysis through discovery and testimony to demonstrate not only that Cal-Am's methodology does not properly account for the historic variability in the rate but the lack of a justifiable basis for Cal-Am's proposal.</p> <p>The parties settled this issue by adopting an uncollectible expense at a rate of 0.5625%.</p>		
<p><i>6. Settlement- Transmission and Distribution Miscellaneous Expense</i></p> <p>In testimony, TURN recommended a reduction in the T&D Miscellaneous Expense account as a result of corrected calculations for the escalated average performed by Cal-Am. Through discovery propounded by TURN, Cal-Am acknowledged that an expense was coded improperly resulting in an unusually high T&D Expense in Larkfield for 2005 thereby inflating the average derived from 2005-2009 data used Cal-Am.</p> <p>In settlement, Cal-Am agreed to remove \$7000 from the calculation resulting in approximately \$3,500 reduction in T&D Miscellaneous expense for 2012 and 2013 in Larkfield. Except for this change brought to light by TURN, parties accepted Cal-Am's other T&D Miscellaneous expenses for settlement.</p>	<p>Ramas Direct page 17-18. Settlement Agreement Section 4.22, page 35.</p>	<p>Agreed.</p>
<p><i>7. Income tax- DPAD</i></p> <p>In testimony, TURN recommended that Cal-Am be required to take the Domestic Production Activities Deduction (DPAD) that would result in a reduction to the</p>	<p>Final Decision at p. 43-44, FOF 42, 48; Smith Direct pages 43-44; TURN Opening Brief pp. 13-15</p>	<p>Agreed.</p>

<p>overall rate base of the company.</p> <p>TURN supported DRA's proposed methodology for calculating the deduction that would have resulted in a \$738,000 reduction in the Company's revenue requirement over the Company's own DPAD calculation.</p> <p>Finally, TURN investigated the possibility that Cal-Am was not receiving the full benefit of the DPAD deduction because it files a joint tax return with its parent company. TURN's witness did an on-site review of the Company's joint tax return to ensure that Cal-Am was realizing the full benefit of the deduction and passing it on to their ratepayers.</p> <p>In rebuttal testimony, Cal-Am argued for the first time that it was experiencing a net operating loss tax situation that would prevent it from taking the DPAD (and other) deductions. In cross examination and in its briefs TURN argued that the company should not be allowed to make such a claim for ratemaking purposes and it should be required to take the DPAD deduction. It also argued, in the alternative, if the Commission accepts the net operating loss situation then the Commission should remove the \$13 million tax expense from Cal-Am's A&G expense request.</p> <p>The Final Decision states, "We dislike inconsistent treatment of tax positions when the disparate treatment adversely impacts ratepayers, as it does in this case." It then cites favorably to TURN for the explanation that Cal-Am's inconsistent treatment of its WRAM balances explains how the company is attempting to have it both ways. The Final Decision agrees with TURN and DRA and requires the Company to apply the DPAD deduction using the methodology proposed by DRA and supported by TURN, thereby reducing</p>		
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<p>its tax obligation and the company's expense request. The Final Decision does not quantify the overall impact of this deduction, but in TURN's Opening Brief it noted that DRA's methodology for computing the deduction reduced the Company's revenue requirement by \$738,000 over the Company's own DPAD calculation. Moreover, to the extent Cal-Am argued in rebuttal that it should not be required to take the DPAD deduction at all, then the entire DPAD deduction savings to the ratepayer should be considered in any substantial contribution calculation.</p>		
<p><i>8. Income Tax FIN 48 Repairs Deduction</i></p> <p>In its testimony, TURN proposed that Cal-Am should reduce its rate base for the tax effect of all repairs deductions on its federal income tax. TURN provided detailed analysis of the current state of tax law and accounting for this particular deduction which was complicated by a tax accounting change request filed by the parent company and recently approved by the IRS. TURN's testimony provided background information as well as analysis to demonstrate how this deduction would increase the Accumulated Deferred Income Tax that in turn would reduce rate base.</p> <p>In its rebuttal testimony, Cal-Am did not agree to make the FIN 48 repairs deduction, instead arguing that its net operating loss situation prevented it from making those types of deductions.</p> <p>However, after hearings on this issue, in its opening and reply briefs Cal-Am agreed it would take the deduction and stated that the deduction was "inadvertently excluded" from its original application. As a result of Cal-Am accepting the full repairs deduction, the Company will increase its deferred taxes, which will in turn reduce rate base.</p>	<p>Final Decision p. 45, FOF 43, COL 50; Smith Direct page 24-26, 40-42; TURN Opening Brief at p. 22-23, 28-29; Cal-Am Rebuttal, Charles A. Lenns at p. 14-17; Cal-Am Opening Brief Pgs, 18-19.</p>	<p>Agreed.</p>

<p>Despite significant discovery requests on this issue, TURN was unable to specifically calculate the dollar impact on rate base from this deduction. However, in testimony TURN estimated that it could be at least \$4.2 million for 2012-2014. Cal-Am did not provide its own estimate of the impact of this deduction and the Final Decision does not attempt to quantify the impact of this reduction in rate base.</p> <p>The Final Decision states, "...Cal-Am should remove from rate base the increased accumulated deferred income tax for 2010, 2011 and 2012 associated with its FIN 48 recorded deferred income tax."</p>		
<p><i>9. Income Tax- Bonus Depreciation</i></p> <p>TURN argued that Cal-Am should fully apply the Bonus Tax Depreciation deduction to take advantage of recent changes in the law that increases the deduction for certain expenditures in specific tax years. While this deduction is discretionary, TURN argued that because the deduction would reduce the company's tax expense and increase the deferred tax expense, thereby benefitting ratepayers through a lower rate base, the Commission should impute the deduction even if the Company elects not to take it on its actual tax return.</p> <p>The Final Decision does not impute the Bonus Depreciation for 2011 out of concern over interfering with the Company's normalization of its taxes and potential limit of accelerated depreciation. However, in comments on the Proposed Decision, TURN proposed new language to properly describe the Commission's rationale on this issue. The Final Decision incorporates TURN's clarifying language.</p>	<p>Final Decision p. 46; Smith Direct pages. 8-15; TURN Opening Brief, pages 15-20; TURN Opening Comments on the Proposed Decision, page 1; Cal-Am Rebuttal, Charles Lennox at p. 8-9.</p>	<p>Agreed.</p>
<p><i>10. Special Request 4- Rate of Return on Deferred Balances in Balancing and Memorandum Accounts</i></p>	<p>Final Decision, pages 48-49, FOF 49, COL 54; Ramas Direct at p. 28; TURN Opening Brief, p. 34-36.</p>	<p>Agreed.</p>

<p>TURN's testimony raised concerns about the overall number of different balancing and memorandum accounts that Cal-Am currently has and urged the Commission to use caution when creating any additional accounts. TURN's witness expressed concern that this increased reliance on balancing account shifts a substantial amount of risk from shareholders to customers and that the high number of these accounts complicates the regulatory process.</p> <p>TURN cited to a specific example of this potential shift of risk from ratepayers to shareholders in Cal-Am's Special Request #4. Special Request 4 proposes to allow Cal-Am to earn its weighted cost of capital return on all balances in these balancing and memorandum accounts that exceed the Company's short-term debt limit. The Company currently earns the 90-day commercial paper rate on these balances.</p> <p>As TURN pointed out in hearings and in briefs, such a request shifts the risk of recovery of those balances from the shareholders to the ratepayers through a guaranteed higher rate of return. TURN urged the Commission to continue to set the rate of return on deferred balances on a case-by-case basis by looking at the specific circumstances of the project or account at issue.</p> <p>The Final Decision agrees with TURN and DRA and rejects Cal-Am's request to set a standard, higher rate of return on these deferred balances, "Given the number and variety of Cal-Am's deferred balances, we agree with DRA and TURN that a blanket approval for rate of return on all deferred balances is not reasonable." The Final Decision also notes that Cal-Am could not state their proposal with enough specificity to satisfy the Commission. TURN raised this exact issue with Cal-Am's witness on</p>		
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cross examination and discussed this concern in its Opening Brief.		
<p><i>11. Special Request 11- Business Transformation</i></p> <p>Both TURN and DRA opposed Special Request 11, Cal-Am's request that it be allowed to establish a balancing account for the implementation costs of a large project to upgrade its data processing technology.</p> <p>TURN's testimony also pointed out that Cal-Am's proposal to establish this balancing account failed to incorporate any cost savings or efficiencies experienced by the company as a result of this upgrade and modernization to its processes. Not only did Cal-Am fail to request a balancing account for these cost savings, it did not include cost savings from this project for its test year or escalation years in this Application. TURN's testimony pointed to several places in Cal-Am's testimony where the utility admits that the Business Transformation program will result in increased efficiencies and cost savings. Further, through cross examination and in briefs, TURN demonstrated that the parent company expected significant cost savings and increases in efficiencies beginning with the implementation of the first phase of the project.</p> <p>As the Final Decision notes, Cal-Am's position on this issue evolved during the course of the litigation so that in its rebuttal testimony it changed its request to a memorandum account and agreed, in response to TURN's testimony, to track the savings of the project in the memorandum account claiming that there was a "misunderstanding" and the Company's intent was to track these savings all along.</p> <p>The Final Decision rejects Cal-Am's request for a memorandum account and</p>	<p>Final Decision - 62-63, FOF 70-71, COL 72, 76; Ramas Direct at p. 23-26; TURN Opening Brief at p. 44-45; Cal Am Rebuttal (Stephenson) Ex. 56, page 73.</p>	<p>Agreed.</p>

states, “We agree with DRA and TURN that the estimated benefit or savings identified by Cal-Am should inure to ratepayers during this rate case cycle.” To calculate the savings, the Final Decision cites to an American Water Works presentation on the savings that both DRA and TURN used extensively in its cross examination of the company’s witnesses and in its briefs. The Final Decision caps the total recovery for the project at \$14 million and requires the Company to file Advice Letters at the end of each project implementation phase reflecting the specific cost savings of over \$2 million as expense offsets that TURN detailed in its Opening Brief and as set forth in the parent company board report.		
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B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant’s Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹	Yes	Agreed.
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Agreed.
c. If so, provide name of other parties: <p>There were several intervenors in this rate case. However, the majority of these intervenors were representing groups from specific Cal-Am service areas and as such focused on narrow issues relating to those communities. For example, several groups and municipal agencies from the Monterey area intervened in this docket, but did not actively participate in Phase 1 when the issue of rate design in Monterey was moved to a second phase. The Mark West Area Community Services Committee intervened and filed testimony on issues related to special requests and capital projects specific to the Larkfield area.</p> <p>The only other intervenor group with a broader interest in the docket was the Natural Resources Defense Council (NRDC).</p>		Agreed.

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>In light of the scope of the proceeding and the magnitude of the requested rate increase, TURN worked especially hard to coordinate with the other intervenors and, as a result, achieve maximum coverage for ratepayers. Our time records include a number of entries (usually coded as “COORD”) for efforts that were primarily devoted to communicating with the other intervenors and DRA about procedural strategies and issue area allocation. Also, during settlement discussions (hours coded as “SETT”) parties closely coordinated through phone calls and emails discussing strategy and substantive issues, particular on the large issues such as Incentive Compensation, Business Transformation, and Taxes.</p> <p>TURN worked closely with NRDC and DRA to avoid undue duplication. NRDC’s work tended to focus on conservation, non-revenue water and low income program issues. TURN did not address those issues in testimony or briefs, and those issues were the subject of a separate settlement NRDC entered into with DRA and Cal-Am. NRDC did not take any revenue requirement issues to hearing.</p> <p>TURN worked very closely with DRA to avoid duplication of effort while maximizing each group’s effectiveness and to ensure consistency and efficiency of work effort. TURN’s witnesses regularly communicated with DRA’s witnesses to share discovery and avoid duplication of effort. Even on those issues where both TURN and DRA submitted testimony, TURN’s witnesses provided different analyses that reflected additional information gained from TURN’s separate discovery and in some instances made different recommendations than did DRA. Examples of such issues include incentive compensation; escalation; bonus depreciation; and business transformation.</p> <p>In sum, the Commission should find that TURN’s participation was efficiently coordinated with the participation of other intervenors wherever possible, so as to avoid undue duplication and to ensure that any such duplication served to supplement, complement, or contribute to the showing of the other intervenor.</p>	<p>Agreed.</p>
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

<p>a. Concise explanation as to how the cost of Claimant’s participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate)</p> <p>TURN’s request for \$285,846.98 reflects a significant amount of work that produced tangible benefits for Cal-Am ratepayers. Ratepayers in every district benefitted from TURN’s advocacy resulting in smaller-than-requested increases in Cal-Am’s revenue requirement for 2012 alone, with additional reductions for 2013 and 2014. The outcome of the partial</p>	<p>CPUC Verified</p> <hr/> <p>Verified, <i>but see</i> “CPUC Disallowances and Adjustments” in Part III.C.</p>
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<p>settlement and litigated issues significantly reduced Cal-Am's initial request of over \$58 million increase over the three-year period.</p> <p>TURN's requested compensation represents a fraction of the overall savings produced by Final Decision's rulings on the issues TURN addressed in testimony, briefs and settlement. For example, TURN's testimony on the importance of including expense offsets for the savings resulting from Cal-Am's Business Transformation Project resulted in over \$2 million in savings over the GRC cycle. (Final Decision - 62-63, FOF 70-71, COL 72, 76; Ramas Direct at p. 23-26) TURN's work on taxes cumulatively saved ratepayers at least \$700,000 in just the DPAD deduction and possibly over \$4 million in Repair Deductions. (Final Decision p. 43-45, FOF 42, 43, 48 COL 50; Smith Direct page 24-26, 40-42, 43-44.) The Settlement brought over \$600,000 in savings in incentive compensation for 2012 alone as well as an additional \$500,000 in savings for payroll expenses (\$80,000 in each year 2012 and 2013) and working capital estimates (approx. \$350,000 in each year 2012 and 2013). (Settlement Agreement Section 6.1, page 63; Section 5.2, page 50 and Ramas Direct at p. 8; Section 8.9, page 103 and Smith Direct at p. 54.) In addition, several issues included in the Settlement and the Final Decision will bring benefit to ratepayers, but those benefits are difficult to quantify at this time such as the reduction in labor escalation rates, uncollectible expense rates, and rate of return on balancing accounts.</p> <p>The Commission should therefore conclude that TURN's overall request is reasonable in light of the substantial benefits to Cal-Am ratepayers that were directly attributable to TURN's participation in the case.</p>	
<p>b. Reasonableness of Hours Claimed</p> <p>TURN Hours</p> <p>TURN's attorneys and consultants recorded a significant number of hours for work on this general rate case. TURN submits that the hours claimed are reasonable in light of the significance of this case. This overall level of work effort is consistent with TURN's work in other general rate cases. We tend to address a broad range of topics typically second only to DRA in terms of breadth of coverage. In these cases, TURN devotes hours to careful issue identification, substantial discovery, coordination efforts with other parties, detailed testimony preparation, hearing participation and substantial briefs on issues we are covering.</p> <p>TURN Attorneys and Advocates:</p> <p>Christine Mailloux was TURN's lead attorney for this case. She was responsible for coordinating work between the other attorneys and</p>	<p>Verified, <i>but see</i> "CPUC Disallowances and Adjustments" in Part III.C.</p>

consultants working for TURN. In addition she was primarily responsible for coordinating TURN's work with the other intervenors. She assisted the consultants in discovery preparation and represented TURN in discovery disputes with the Company. For example, Ms. Mailloux's time reflects a dispute with Cal-Am over TURN's request for a consultant to view the parent company's consolidated financials. While TURN's witness ultimately was allowed an on-site visit to view the financials, very close to the date of testimony filing, it took multiple phone calls, emails and additional processes to work out this situation. (These hours are coded as "#" because they include work related to issue identification and testimony development for several of the revenue requirement issues covered by TURN.) Another example of a coordination issue included in Ms. Mailloux's time is the dispute between DRA, TURN and Cal-Am over receipt of the fully unredacted testimony of DRA's consultant Overland. Cal-Am would not allow DRA to release the unredacted version of the testimony due to possible third party confidential information being present in the testimony. This too took an inordinate amount of time to resolve, including the involvement of not only the assigned ALJ but other members of the ALJ division. (These hours are coded as "GH" because in order to effectively participate in and prepare for hearings, TURN needed the unredacted version of the DRA testimony.) Ms. Mailloux also spent time working on procedural matters such as Cal-Am's Motion to Strike and scheduling issues. Ms. Mailloux was also an integral part of the settlement process, including spending significant time working with DRA and Cal-Am to draft and finalize the settlement documents.

Nina Suetake is a staff attorney with significant general rate case experience on energy issues. Ms. Suetake brought that experience to bear when she participated in several conference calls and discussions about case strategy, issue identification and coordination with other intervenors. Further, Ms. Suetake developed general knowledge of the case in order to play a lead role (along with Ms. Costa) in handling the evidentiary hearings for TURN. Ms. Suetake took the lead on witness scheduling and other hearing-related procedural issues including discussions regarding the confidentiality of a particular exhibit, resulting in a higher number of "GH" coded hours than the rest of the team. Ms. Suetake's primary substantive focus was on issues related to taxes. This was a particularly time- and resource-intensive effort because of the recent changes in the law and in Cal-Am's tax filings. Ms. Suetake also heavily participated in settlement discussions in part to avoid the need for Ms. Mailloux (who lives in San Diego) to travel for the settlement talks. So, on those issues where it was important that TURN have a person in the room, particularly on those issues where TURN had testimony, Ms. Suetake was TURN's main representative.

Regina Costa is TURN's research director and an integral part of this case.

Her hours reflect that the fact that the main task of analyzing the Cal-Am application and existing discovery, as well as reviewing ongoing discovery, at the beginning of the case fell to her expertise as research director, resulting in a higher level of hours coded as “GP” and “DIS” than the other advocates on this case. Not all of the issues she initially identified as possible for inclusion ended up being issues TURN focused on, but this was a necessary part of TURN’s litigation strategy development. (It is typical for an intervenor such as TURN to review a broader array of issues than ends up being addressed in testimony.) Due to her integral role in both settlement and cross-examination during hearings, Ms. Costa was called upon to be generally familiar with the issues in the case and to work closely with the consultants on case strategy and hearing preparation. She shared the lead role with Ms. Suetake and focused her efforts and brief writing primarily on the Business Transformation issues.

Bob Finkelstein: Mr. Finkelstein had a small consulting role in this case, including assisting with this request for compensation. His limited number of hours generally consisted of discussing litigation and settlement strategy with the more active attorneys on the case. His extensive experience in energy GRCs before this Commission made him a valuable resource for such purposes.

Larkin & Associates

Larkin & Associates assigned several people to work on this general rate case for TURN. Two of the Larkin staff performed tasks that were generally administrative in nature (such as case file organization and discovery organization) and those hours have been removed from this compensation request. The remaining three Larkin staff, as discussed below, bring a cumulative total of over 50 years of experience to the case. Once on board, they assisted TURN with analysis of the Cal-Am application and discovery responses including propounding their own discovery in order to identify issues for TURN to address in the case. They drafted and submitted detailed testimony on numerous issues and coordinated with other intervenors. Ramas and Smith played a critical role in working with TURN advocates on the highly technical settlement talks regarding taxes, business transformation, executive compensation, escalation factors and other issues. Neither TURN witness was cross examined and as a result did not have to travel or spend time in the hearing room; however, they assisted Ms. Suetake and Ms Costa in cross examination preparation on their particular issues and they helped with the drafting of briefs. The Larkin consultants were indispensable in assisting in TURN’s efforts, working with the other parties to the case, ensuring success on TURN’s issues, and ultimately benefitting Cal-Am’s ratepayers.

There are some hourly entries that reflect meetings attended by two or

more of TURN's attorneys and expert witnesses. In past compensation decisions the Commission has deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This is not the case here. As discussed above, for the meetings that were among TURN's attorneys and expert witnesses, such meetings are essential to the effective development and implementation of TURN's strategy for this proceeding. None of the attendees are there in a duplicative role because each advocate and consultant has his or her own expertise and knowledge of certain issues and procedures to bring to the discussion. As a result of this collaborative process, TURN is able to identify new and unique issues and angles that would almost certainly never come to mind individually.

There were also meetings with other parties (particularly in the settlement discussion setting) at which more than one attorney or advocate represented TURN on occasion. The Commission should understand that this is often essential in a case such as this one, with a wide range of issues that no single person is likely to master. TURN's requested hours do not include any for any TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. As discussed above, TURN also has the unique situation where the case manager could not attend many of the meeting in person, leaving those in San Francisco to participate more fully while Ms. Mailloux monitored by phone. TURN submits that such meetings can be part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting to advance the intervenor's advocacy efforts.

TURN submits that the recorded hours are reasonable, both for each TURN staff member and expert witness and in the aggregate. Given some of the different circumstances present here including the extensive settlement discussions, creation of a Phase 2 and several procedural issues that had to be addressed, TURN's hours are reasonable. Therefore, TURN seeks compensation for all of the hours recorded by our staff members and outside consultants as included in this request.

Compensation Request Preparation Time: TURN is requesting compensation for approximately 28 hours devoted to preparation of this request for compensation. While slightly higher than the number of hours TURN tends to seek for compensation-related matters in a proceeding of this magnitude, this is a reasonable figure in light of the size and complexity of the request for compensation itself. Ms. Mailloux was solely responsible for drafting this request with some oversight from Mr. Finkelstein who has extensive knowledge of TURN's intervenor compensation experience, particularly with GRC compensation requests.

Ms. Mailloux took extra caution in reviewing the reasonableness and accuracy of each advocates' time entries. TURN took it upon itself to delete some hours that it felt excessive and represented the fact that TURN had a learning curve of sorts in this case (TURN's first water GRC). As a result, while the compensation-related hours are a bit higher than typical for TURN, the Commission should find this amount reasonable under the circumstances.

Hourly Rates of TURN Staff and Consultants

TURN's request for compensation covers work performed in 2010, 2011 and 2012. For Christine Mailloux, the Commission has previously approved continued use of the hourly rate of \$390 first approved for work she performed in 2008 to work she performed in 2010 as well. (D.10-09-040, in R.09-05-006). Consistent with Resolution ALJ-267, TURN seeks compensation for her 2011 work at the same previously-approved hourly rate. For 2012, TURN continues to use the previously authorized rate for Ms. Mailloux because the majority of hours incurred in 2012 were associated with preparing this compensation request. However, because Ms. Mailloux may have moved into a different experience band in 2012 pursuant to the hourly rate scheduled adopted in Resolution ALJ-267, TURN may seek a higher 2012 rate in a future compensation request.

For Nina Suetake, the Commission has previously authorized an hourly rate of \$280 for work performed in 2010 (D.11-05-044, in A.08-09-023) and \$295 for work performed in 2011 (D.12-06-036, in R.09-08-009). For 2012, TURN continues to use the previously authorized rate for Ms. Suetake due to the relatively small amount of hours incurred in 2012. However, because TURN may be eligible for a "step" increase for Ms. Suetake in 2012, TURN may seek a higher 2012 rate in a future compensation request.

For Regina Costa, pursuant to Resolution ALJ-247 (in 2010) and Resolution ALJ-267 (in 2011), TURN uses here the previously authorized hourly rate of \$275 that was first adopted for her work in 2008 (D.09-08-020 in R.08-01-005).

This was TURN's first general rate case for a Class A water utility. TURN hired an experienced consulting firm to assist in case preparation, litigation strategy, testimony and hearing preparation. These consultants do not have previously approved rates from this Commission. Relative to the level of expertise and years of experience shared by these consultants, their hourly rates are extremely reasonable and should be approved.

Donna Ramas: Ms. Ramas holds a bachelor degree and is a Certified Public Accountant and a Senior Regulatory Analyst at Larkin & Associates

in Michigan. Ms. Ramas has been with Larkin & Associates since 1991 where she has submitted testimony in over 60 regulatory proceedings. She also developed and conducted trainings, prepared computer models, and researched accounting and regulatory developments throughout the country. She has also served as an instructor at the Michigan State University Institute of Public Utilities. Ms. Ramas has appeared before this Commission in several previous water general rate cases and other non-water cases on behalf of the Division of Ratepayer Advocates, the City of Fontana and the Department of Defense between 2005 and the present, most recently working for DRA in the Golden State GRC (A.11-07-017).

Ralph C. Smith: Mr. Smith holds a Bachelor of Science in Accounting, Master of Science in Taxation and a Juris Doctor. He is also a Certified Public Accountant and a Certified Rate of Return Analyst. He is currently a Senior Regulatory Analyst at Larkin & Associates. Mr. Smith has had direct utility regulatory accounting experience for over 25 years. He has participated in hundreds of rate cases and other regulatory dockets in the gas, energy and water industries across the country, including submitting testimony and testifying during hearings. He has worked with NARUC and presented numerous training seminars to Commission staffs and consumer advocate groups in four states. He has served a lead consultant and project manager for a variety of cases and research projects, representing industry, municipal clients, regulatory agencies and consumers.

Dawn Bisdorf: Ms. Bisdorf holds a Bachelors degree and an Associates Degree in Accounting and is currently a research associate at Larkin & Associates. Before joining Larkin, Ms. Bisdorf held various accounting positions working with accounts payable, receivable and reconciliations. Upon joining Larkin in 2006, she has focused on regulatory research, research of technical accounting and regulatory issues, spreadsheet and model preparation and analysis, case organization, and testimony review.

TURN notes that both Ms. Ramas and Mr. Smith each have over 20 years of experience, yet their \$145 hourly rates is below the \$155 level that represents the bottom of the Commission-approved rate ranges in ALJ-267 for experts with thirteen or more years of experience. Their experience level and depth of knowledge are directly on point to this rate case and are unquestionably sufficient for the Commission to approve these hourly rates. Ms. Bisdorf has less experience than her colleagues and a much lower hourly rate of \$45. Her rate is a mere fraction of the bottom of the range established for consultants in their first year of experience while she has 6 years of experience at Larkin alone.

TURN submits that this information is more than sufficient for the Commission to grant the requested hourly rates for these three consultants.

<p>However, should the Commission disagree and believe that it needs more information to support the request, TURN asks that we be informed of the additional information that is necessary and given an opportunity to provide that information before a draft decision issues on this compensation request.</p> <p>Reasonableness of Expenses</p> <p>TURN requests that the Commission approve its expenses associated with its participation in this case. The expenses consist of photocopying expenses, postage, phone and a small charge for legal research conducted via Lexis/Nexis. The phone costs include conference call charges and personal phone expenses due to the lengthy calls for settlement meetings among the parties and coordination efforts among intervenors. The Commission should find TURN's direct expenses reasonable.</p>																	
<p>c. Allocation of Hours by Issue</p> <p>TURN has allocated its time entries asset for in the attachments by the following codes:</p> <table border="0"> <tr> <td style="vertical-align: top;">GP</td><td>General Preparation- work that generally does not vary with the number of issues that TURN addresses in the case</td></tr> <tr> <td style="vertical-align: top;">GH</td><td>General Hearing- Hearing related work that was not issue specific. For example, time spent waiting in the hearing room for specific witnesses, time spent discussing witness scheduling, hearing procedure, etc.</td></tr> <tr> <td style="vertical-align: top;">PROC</td><td>Procedure- Procedural motions such as a Motion to Strike or Motion for Extension</td></tr> <tr> <td style="vertical-align: top;">SETT</td><td>Settlement-related work including time spent discussing and coordinating settlement schedules, discussing substantive settlement issues with individual parties and TURN witnesses and attorneys, time in the settlement discussions themselves including issues that were related to TURN's direct issues</td></tr> <tr> <td style="vertical-align: top;">COOR</td><td>Coordination with other parties beyond settlement including issue coordination, strategy, and some scheduling</td></tr> <tr> <td style="vertical-align: top;">DIS</td><td>Discovery- matters that did not fall into a particular issue area such as work on non-disclosure agreements, discovery disputes, preparation of discovery covering multiple issues, and review of other parties' discovery</td></tr> <tr> <td style="vertical-align: top;">CON</td><td>Consultant preparation- work performed by TURN to obtain and prepare revenue requirement consultants for work on this case</td></tr> <tr> <td style="vertical-align: top;">#</td><td>Revenue Requirement- Wherever possible, TURN</td></tr> </table>	GP	General Preparation- work that generally does not vary with the number of issues that TURN addresses in the case	GH	General Hearing- Hearing related work that was not issue specific. For example, time spent waiting in the hearing room for specific witnesses, time spent discussing witness scheduling, hearing procedure, etc.	PROC	Procedure- Procedural motions such as a Motion to Strike or Motion for Extension	SETT	Settlement- related work including time spent discussing and coordinating settlement schedules, discussing substantive settlement issues with individual parties and TURN witnesses and attorneys, time in the settlement discussions themselves including issues that were related to TURN's direct issues	COOR	Coordination with other parties beyond settlement including issue coordination, strategy, and some scheduling	DIS	Discovery- matters that did not fall into a particular issue area such as work on non-disclosure agreements, discovery disputes, preparation of discovery covering multiple issues, and review of other parties' discovery	CON	Consultant preparation- work performed by TURN to obtain and prepare revenue requirement consultants for work on this case	#	Revenue Requirement- Wherever possible, TURN	<p>Verified.</p>
GP	General Preparation- work that generally does not vary with the number of issues that TURN addresses in the case																
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CON	Consultant preparation- work performed by TURN to obtain and prepare revenue requirement consultants for work on this case																
#	Revenue Requirement- Wherever possible, TURN																

	<p>allocated time to a specific issue area. However, use of this symbol represents work on revenue requirement issues addressed by TURN's witnesses when those time entries cannot easily be broken down into individual issue codes. For example, certain strategy conference calls, general work in the beginning on issue identification, and finalizing testimony and briefs. TURN limited its use of this code and does not believe further allocation of this time is necessary. However, if the Commission wishes to allocate then it should apportion the time roughly among the following codes: TAX 25%, AFF 10%, IC 15%, BT 25%, BA 10%, ESC 15%</p>	
&	<p>Accounting Issues- TURN's work on taxes, affiliate payments and incentive compensation was primarily performed by its witness Ralph Smith. Generally his time entries were broken down by specific issue. However, a small part of his time covered work applicable to all three of his main issues. Again, TURN does not believe that further allocation is necessary, but a rough idea of the work effort among these issues would be: TAX 50%, AFF 25% and IC 25%.</p>	
TAX	<p>Tax- including repair deduction, DPAD and Bonus Depreciation</p>	
AFF	<p>Affiliate Management- this code mostly covers work on the lead/lag working capital issue but also includes work on other parent company related issues including review of the parent company's consolidated financials to ensure affiliate transactions were proper.</p>	
IC	<p>Incentive Compensation- including Stock Incentive Plan and Annual Incentive Plan</p>	
ESC	<p>Escalation- primarily related to expense calculations including customer growth factor, labor escalation, and uncollectible expense ratios</p>	
BT	<p>Business Transformation- including work on the proposed memo/balancing account and calculating savings offsets</p>	
BA	<p>Balancing Accounts- work on the reasonableness of Cal-Am's requests to establish additional balancing accounts. Primarily work on Special Request 4 to earn a higher ROR on deferred balances</p>	
COMP	<p>Compensation- work on TURN's compensation request and compensation related activities such as the NOI</p>	
<p>TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission's rules. Should the Commission wish to see additional or different information on</p>		

this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.

B. Specific Claim:

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Christine Mailloux	2010	39.75	\$390	D.11-07-023	\$15,502.50	39.125 [1]	\$390.00	\$15,258.75
Christine Mailloux	2011	151.65	\$390	Res. ALJ-267	\$59,143.50	149.9 [2]	\$390.00	\$58,461.00
Christine Mailloux	2012	6.25	\$390	Res ALJ-267	\$ 2,437.50	6.25 [3]	\$420.00	\$2,625.00
Nina Suetake	2010	5.75	\$280	D.11-05-044	\$ 1,610.00	5.75	\$280.00	\$1,610.00
Nina Suetake	2011	197.75	\$295	D.12-06-036, in R.09-08-009	\$58,336.25	197.50 [4]	\$295.00	\$58,262.50
Nina Suetake	2012	4.50	\$295	Res. ALJ-267	\$1,327.50	4.5 [5]	\$315.00	\$1,417.50
Bob Finkelstein	2011	4.25	\$470	D.10-09-042, Res. ALJ- 267	\$1,997.50	4.25 [6]	\$480.00	\$2,040.00
Regina Costa	2010	74.00	\$275	D.09-08-020	\$20,350.00	74.00	\$275.00	\$20,350.00
Regina Costa	2011	185.60	\$275	Res. ALJ-267	\$51,040.00	185.60	\$275.00	\$51,040.00
Regina Costa	2012	7.25	\$275	Res. ALJ-267	\$1,993.75	7.25 [7]	\$285.00	\$2,066.25
Ralph C. Smith	2010	31.00	\$145	See supra, Part III. Sec. A (b)	\$4,495.00	31.00	\$145.00	\$4,495.00
Ralph C. Smith	2011	215.25	\$145	See supra, Part III. Sec. A (b)	\$31,211.25	214.92 [8]	\$145.00	\$31,163.40
Ralph C. Smith	2012	6.50	\$145	See supra, Part III. Sec. A (b)	\$942.50	6.50 [9]	\$145.00	\$942.50
Donna Ramas	2010	53.50	\$145	See supra, Part III. Sec. A (b)	\$7,757.50	53.5 [10]	\$145.00	\$7,757.50
Donna Ramas	2011	127.00	\$145	See supra, Part III. Sec. A (b)	\$18,415.00	127.00	\$145.00	\$18,415.00
Donna Ramas	2012	6.50	\$145	See supra, Part III. Sec. A (b)	\$942.50	6.5 [11]	\$145.00	\$942.50

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Dawn Bisdorf	2011	46.00	\$45	See supra, Part III. Sec. A (b)	\$2,070.00	46.00	\$45.00 [12]	\$2,070.00							
	Subtotal:				\$279,572.25	Subtotal:		\$278,916.90							
OTHER FEES															
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):															
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$							
			\$												
	Subtotal:					Subtotal:									
INTERVENOR COMPENSATION CLAIM PREPARATION **															
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$							
Christine Mailloux	2010	1.75	\$195		\$341.25	1.50 [13]	\$195.00	\$292.50							
Christine Mailloux	2012	25.5	\$195		\$4,972.50	24.25 [14]	\$210.00 [15]	\$5092.50							
Bob Finkelstein	2012	1.75	\$235		\$411.25	1.75 [16]	\$240.00	\$420.00							
	Subtotal:				\$5,725.00	Subtotal:		\$5805.00							
COSTS															
#	Item	Detail			Amount	Amount									
	Photocopies	Cal-Am Application and related material, pleadings			\$77.08	\$77.08									
	Lexis	Computerized research			\$11.56	\$11.56									
	Phone/ Conference call	Proceeding-related phone calls and multi-party conference call charges			\$440.19	\$439.99 [17]									
	Postage	TURN Pleadings			\$20.90	\$20.90									
	Subtotal:				\$549.73	Subtotal:		\$549.53							
TOTAL REQUEST \$:					\$285,846.98	TOTAL AWARD \$:		\$285,271.43							
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>															
4	Issue Allocation by Percentage														
5	Qualifications of Ralph C. Smith														

PROPOSED DECISION

6	Qualifications of Donna Ramas		
ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Christine Mailloux	12/10/1993	167918	No
Nina Suetake	12/14/2004	234769	No
Bob Finkelstein	06/13/1990	146391	No

C. CPUC Disallowances and Adjustments:

#	Reason
[1]	<p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>08/23/10 - .625 hour to “finalize memo.” This reduction corresponds to ½ of the total time listed, since two tasks were recorded for the time entry.</p>
[2]	<p>By the Commission’s calculation, Mailloux worked 151.4 hours in 2011.</p> <p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>02/04/11 - .75 hour to “finalize testimony and attachment.” This reduction corresponds to ½ of the total time listed, since two tasks were recorded for the time entry.</p> <p>03/02/11 - .75 hour to “finalize reply to Motion to Strike.” This reduction corresponds to ½ of the total time listed, since two tasks were recorded for the time entry.</p>
[3]	The Commission previously adopted a rate of \$420 for Mailloux in 2012. <i>See</i> D.13-12-051 and D.13-11-020.
[4]	<p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>05/24/11 – .25 hour to “Prepare template for cover sheet of cross exhibits.”</p>
[5]	The Commission previously adopted a rate of \$315.00 for Suetake in 2012. <i>See</i> D.13-12-028.

² This information may be obtained at: <http://www.calbar.ca.gov/>.

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[6]	The Commission previously adopted a rate of \$480.00 for Finkelstein in 2012. <i>See</i> D.13-11-022.
[7]	The Commission previously adopted a rate of \$285.00 for Costa in 2012. <i>See</i> D.13-06-020.
[8]	On 05/25/11 Smith's time entry listed "cancel hotel." Such work is not compensable and .33 hour (1/3 of the 1 hour listed) has been deducted.
[9]	The Commission applied a 2.2% cost-of-living adjustment (COLA) to Smith's 2012 Rate. This COLA adjustment, after rounding to the nearest \$5, did not alter the 2012 rate. <i>See</i> ALJ-281 and D.13-07-017.
[10]	The Commission applied a 2.2% cost-of-living adjustment (COLA) to Ramas' 2012 Rate. This COLA adjustment, after rounding to the nearest \$5, did not alter the 2012 rate. <i>See</i> ALJ-281 and D.13-07-017.
[11]	<p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>12/21/10 – 1.33 hours to "download responses." This reduction corresponds to 1/3 of the time listed, since three tasks were recorded for the time entry.</p> <p>In addition, the Commission disallows compensation for vague tasks.</p> <p>On 12/9/10 and 12/10/10, 2.5 hours were allocated for "review responses available in our areas." These hours are not compensable.</p>
[12]	The Commission approves a rate of \$45.00 for Bisdorf in 2011.
[13]	<p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>09/27/10 - .25 hour to "Finalize NOI." The .25 hour reduction corresponds to 1/3 of the total time listed, since three tasks were recorded for the time entry.</p>
[14]	<p>The Commission does not compensate for work when it is clerical, as the costs associated with such tasks are built into the established rates.</p> <p>The following hours are disallowed:</p> <p>08/13/12 – 1.5 hours to "Finalize comp request." The 1.5 hour reduction corresponds to ½ of the total time listed, since two tasks were recorded for the time entry.</p>
[15]	The Commission raised Mailloux's 2012 rate to \$420. The ½ intervenor compensation rate is adjusted accordingly.
[16]	The Commission raised Finkelstein's 2012 rate to \$480. The ½ intervenor compensation rate is adjusted accordingly.
[17]	TURN provided no invoice related to phone calls made on 12/15/11. Accordingly, \$0.20 is deducted from the request.

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (see § 1804(c))

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?	Yes

FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to Decision (D.) 12-06-016.
2. The requested hourly rates for The Utility Reform Network's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$285,271.43.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. The Utility Reform Network is awarded \$285,271.43.
2. Within 30 days of the effective date of this decision, California-American Water Company shall pay The Utility Reform Network the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning October 28th, 2012, the 75th day after the filing of Claimant's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX
Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D.12-06-016		
Proceeding(s):	A.10-07-007		
Author:	ALJ Rochester		
Payer(s):	California-American Water Company (U210W)		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utilities Reform Network	08/13/2012	\$285,846.98	\$285,271.43	No	See Part III.C of this decision.

Advocate Information

First Name	Last Name	Type	Intervenor	Year Hourly Fee Requested	Hourly Fee Requested	Hourly Fee Adopted
Christine	Mailloux	Attorney	TURN	\$390.00	2010	\$390.00
Christine	Mailloux	Attorney	TURN	\$390.00	2011	\$390.00
Christine	Mailloux	Attorney	TURN	\$390.00	2012	\$420.00
Nina	Suetake	Attorney	TURN	\$280.00	2010	\$280.00
Nina	Suetake	Attorney	TURN	\$295.00	2011	\$295.00
Nina	Suetake	Attorney	TURN	\$295.00	2012	\$315.00
Bob	Finkelstein	Attorney	TURN	\$470.00	2011	\$480.00
Regina	Costa	Expert	TURN	\$275.00	2010	\$275.00
Regina	Costa	Expert	TURN	\$275.00	2011	\$275.00
Regina	Costa	Expert	TURN	\$275.00	2012	\$285.00
Ralph C.	Smith	Expert	TURN (Larkin & Associates)	\$145.00	2010	\$145.00
Ralph C.	Smith	Expert	TURN (Larkin & Associates)	\$145.00	2011	\$145.00
Ralph C.	Smith	Expert	TURN (Larkin & Associates)	\$145.00	2012	\$145.00
Donna	Ramas	Expert	TURN (Larkin & Associates)	\$145.00	2010	\$145.00
Donna	Ramas	Expert	TURN (Larkin & Associates)	\$145.00	2011	\$145.00

PROPOSED DECISION

Donna	Ramas	Expert	TURN (Larkin & Associates)	\$145.00	2012	\$145.00
Dawn	Bisdorf	Research Assistant	TURN (Larkin & Associates)	\$45.00	2011	\$45.00

(END OF APPENDIX)